

July 3, 2008

CONSTITUTION REQUIRES BALANCED BUDGET

It was stated recently by some members of the state House of Representatives during the debate over Medicaid funding that deficits were acceptable because Mississippi's Constitution and laws do not require balanced budgets. The fact is, for 118 years Mississippi state government has operated under the notion that our Constitution and state laws do require balanced budgets. Even the archaic language of the 1890 Constitution makes it clear having balanced budgets was the intent of our Founding Fathers, and it has been uniformly interpreted as such:

SECTION 63.

No appropriation bill shall be passed by the legislature which does not fix definitely the maximum sum thereby authorized to be drawn from the treasury.

Even in the modern era of electronic banking and fund transfers, the Constitution protects the state treasury as if it physically resided in a safe in the Capitol. No more money can be appropriated out of the treasury than is collected in revenues.

The following comments are a representative sample of the thoughts of some current and former legislative and state leaders who share this belief:

FORMER LT. GOV. BRAD DYE

(Democrat; Lieutenant Governor, 1980-1992)

"Of course the Constitution requires a balanced budget. It's one of the foundational principles on which Mississippi legislatures have collected and appropriated revenues for more than a hundred years. In this case, the balanced budget requirement in the Constitution gives teeth to the provision in state law requiring the Governor 'shall' make cuts if there is a deficit in Medicaid. As a former elected official and even as a private citizen, the word 'shall' has always had a clear meaning to me."

FORMER REP. CHARLIE CAPPS

(Chairman, House Appropriations Committee, 1988-2003; Democrat; Cleveland)

“As Chairman of the House Appropriations Committee for 16 years I might have wished sometimes that I could have made all of my colleagues happy by approving all of their spending requests without regard to the budgetary impact. Of course, I could not do that because I could not ignore the Constitution, which requires a balanced budget. Under our Constitution total expenditures cannot exceed total receipts. Throughout my tenure as Chairman state budgets were balanced. This is the law and the best policy today, just as it has always been.”

SENATOR JACK GORDON

(Former Chairman, Senate Appropriations Committee; Democrat; Okolona)

“Throughout my 33 years in the Legislature, including service as Chairman of the Senate Appropriations Committee, I have always interpreted the Mississippi Constitution and state law to require a balanced budget. It’s the same interpretation used by the legislative leaders who came before me, and is the only way to achieve truth in budgeting. The balanced budget requirement goes to the very essence of how the Legislature funds the various activities and operations of state government.”

FORMER REP. H.L. (SONNY) MEREDITH

(Chairman, House Ways and Means Committee, 1980-1987; Democrat; Greenville)

“When I served as Chairman of the House Ways and Means Committee, I and my counterparts always acted under the premise that the Mississippi Constitution of 1890 requires a balanced budget. It was clear to me that we had to come up with budgets in which total expenditures did not exceed total receipts. This is the best policy now as it was in the past. A balanced budget is required under the Constitution. To think otherwise runs counter to the essential conservatism Mississippians have long expected from their elected officials in matters of the public treasury.”